

An Act

ENROLLED HOUSE
BILL NO. 3346

By: Armes of the House

and

Newberry of the Senate

An Act relating to consumer credit; prescribing disclosure of information required by certain federal law in credit sales or leases; specifying disclosure of information required by certain federal law in consumer loans; amending 14A O.S. 2011, Section 6-104, which relates to powers and duties; granting power to enforce disclosure requirements of certain federal law; deleting provisions related to rulemaking for disclosure terms; deleting provisions related to updating rules to match certain federal law; repealing 14A O.S. 2011, Sections 2-302 and 3-302, which relate to disclosure requirements; providing for codification; providing an effective date; and declaring an emergency.

SUBJECT: Consumer credit

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-301.1 of Title 14A, unless there is created a duplication in numbering, reads as follows:

Effective July 1, 2014, the seller or lessor shall disclose to the buyer to whom credit is extended or lessee with respect to a consumer credit sale or consumer lease the information required by the Federal Consumer Credit Protection Act as defined in Section 1-302 of Title 14A of the Oklahoma Statutes.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 3-301.1 of Title 14A, unless there is created a duplication in numbering, reads as follows:

Effective July 1, 2014, the lender shall disclose to the debtor to whom credit is extended with respect to a consumer loan the information required by the Federal Consumer Credit Protection Act as defined in Section 1-302 of Title 14A of the Oklahoma Statutes.

SECTION 3. AMENDATORY 14A O.S. 2011, Section 6-104, is amended to read as follows:

Section 6-104. (1) In addition to other powers granted by this title, the Administrator may, within the limitations provided by law:

- (a) receive and act on complaints, take action designed to obtain voluntary compliance with this title, or commence proceedings on the Administrator's own initiative,
- (b) counsel persons and groups on their rights and duties under this title,
- (c) establish programs for the education of consumers with respect to credit practices and problems,
- (d) make studies appropriate to effectuate the purposes and policies of this title and make the results available to the public, ~~and~~
- (e) with commission approval adopt, amend, and repeal substantive rules when specifically authorized by this title, and adopt, amend, and repeal procedural rules to carry out the provisions of this title, all as provided by the Administrative Procedures Act, and
- (f) enforce the disclosure provisions of the Federal Consumer Credit Protection Act as defined in Section 1-302 of Title 14A of the Oklahoma Statutes.

~~(2) The Administrator shall adopt rules not inconsistent with the Federal Consumer Credit Protection Act, 15 U.S.C., Section 601 et seq., to assure a meaningful disclosure of terms so that prospective debtors or lessees will be able to compare more readily~~

~~the various terms available to them and to avoid the uninformed use of credit. These rules may supersede any provisions of this title which are inconsistent with the Federal Consumer Credit Protection Act and may contain classifications, differentiations or other provisions, and may provide for adjustments and exceptions for any class of transactions subject to this title which in the judgment of the Administrator are necessary or proper to effectuate the purposes or to prevent circumvention or evasion of, or to facilitate compliance with, the provisions of this title relating to disclosure of terms. The Administrator also shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this title and to aid the buyer, debtor or lessee in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. In devising the forms, consideration of the use by creditors or lessors of data processing or similar automated equipment shall be given. No creditor or lessor need use any model form or clause published by the Administrator. Any rule of the Administrator or amendment requiring any disclosure which differs from a disclosure previously required shall have an effective date of that October 1 which follows by at least six (6) months the date of promulgation, except that the Administrator may lengthen the period to facilitate creditors or lessors adjusting forms to accommodate new or changed requirements or shorten the period when the Administrator makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive disclosure practices. A creditor or lessor may, in accordance with any guidelines of the Administrator, comply with a newly promulgated disclosure requirement prior to its effective date.~~

~~(3) To keep the Administrator's rules in harmony with the Federal Consumer Credit Protection Act and the regulations prescribed from time to time pursuant to that Act by the Board of Governors of the Federal Reserve System and with the rules of administrators in other jurisdictions which enact the Uniform Consumer Credit Code, the Administrator, so far as is consistent with the purposes, policies and provisions of this title, shall:~~

- ~~(a) before adopting, amending, and repealing rules, advise and consult with administrators in other jurisdictions which enact the Uniform Consumer Credit Code, and~~
- ~~(b) in adopting, amending, and repealing rules, take into consideration:~~

- ~~(i) the regulations so prescribed by the Board of Governors of the Federal Reserve System, and~~
- ~~(ii) the rules of administrators in other jurisdictions which enact the Uniform Consumer Credit Code.~~

~~(4)~~ Except for refund of an excess charge, no liability is imposed under this title for an act done or omitted in conformity with a rule of the Administrator or written opinion of the Administrator stating rights and duties issued on the Administrator's own motion or in response to a request under paragraph (b) of subsection (1) of this section notwithstanding that after the act or omission the rule or opinion may be amended or repealed or be determined by judicial or other authority to be invalid for any reason. ~~A creditor or lessor shall be deemed to be in compliance with the disclosure provisions of this title with respect to other than numerical disclosures if the creditor or lessor uses any appropriate model form or clause as published by the Administrator or uses any model form or clause and changes it by deleting any information not required by this title or rearranging the format if in doing so the substance, clarity or meaningful sequence of the disclosure is not affected.~~ The opinions of the Administrator shall be compiled and published no less often than annually.

~~(5)~~ (3) The Administrator shall report annually on or before January 1 to the Governor and Legislature on the operation of the Administrator's office, on the use of consumer credit in the state, and on the problems of persons of small means obtaining credit from persons regularly engaged in extending sales or loan credit. For the purpose of making the report, the Administrator is authorized to conduct research and make appropriate studies. The report shall include a description of the examination and investigation procedures and policies of the Administrator's office, a statement of policies followed in deciding whether to investigate or examine the offices of credit suppliers subject to this title, a statement of the number and percentages of offices which are periodically investigated or examined, a statement of the types of consumer credit problems of both creditors and debtors which have come to the Administrator's attention through examinations and investigations and the disposition of them under existing law, ~~a statement of the extent to which the rules of the Administrator pursuant to this title are not in harmony with the regulations~~

~~prescribed by the Board of Governors of the Federal Reserve System pursuant to the Federal Consumer Credit Protection Act or the rules of administrators in other jurisdictions which enact the Uniform Consumer Credit Code and the reasons for such variations,~~ and a general statement of the activities of the Administrator's office and of others to promote the purposes of this title. The report shall not identify the creditors against whom action is taken by the Administrator.

~~(6)~~ (4) The Administrator shall have the authority to adopt rules, not inconsistent with the provisions of this title, to limit the amount of the additional charges that lenders are permitted to impose under subsections (1) and (2) of Section 3-202 of this title and Section 3-203.2 of this title, or to limit the amount of deferral charges that sellers and lenders may impose under subsections (2) and (3) of Section 2-204 of this title and subsections (2) and (3) of Section 3-204 of this title. The Administrator shall:

- (a) in promulgating, amending or repealing rules pursuant to this section, take into consideration whether limits on the additional charges permitted under subsections (1) and (2) of Section 3-202 of this title and Section 3-203.2 of this title, or limits on deferral charges that sellers and lenders may impose under subsections (2) and (3) of Section 2-204 of this title and subsections (2) and (3) of Section 3-204 of this title, would:
 - (i) place lenders located in this state at a competitive disadvantage, with respect to the additional charges, as compared to out-of-state credit card lenders or place sellers and lenders in this state at a competitive disadvantage with respect to the deferral charges, as compared to out-of-state sellers and lenders,
 - (ii) require sellers or lenders located in this state to impose higher finance charges, or
 - (iii) impede the growth of consumer credit sales or the consumer lending industry in this state, and
- (b) adopt rules limiting the dollar amounts of the additional charges permitted under subsections (1) and

(2) of Section 3-202 of this title and Section 3-203.2 of this title, or the deferral charges permitted under subsections (2) and (3) of Section 2-204 of this title and subsections (2) and (3) of Section 3-204 of this title, in the event that the Administrator determines that such limits are necessary to protect debtors in this state from being subjected to charges which are unreasonable or excessive as compared to the prevailing charges being imposed by out-of-state lenders and sellers.

SECTION 4. REPEALER 14A O.S. 2011, Sections 2-302 and 3-302, are hereby repealed.

SECTION 5. This act shall become effective July 1, 2014.

SECTION 6. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 26th day of February, 2014.

Presiding Officer of the House
of Representatives

Passed the Senate the 16th day of April, 2014.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____